

**2007 Supplemental Test Package
for e-file of
Combined Reporting and Form 100W**

FTB Pub.1436B Supplement

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**State of California
Franchise Tax Board
www.ftb.ca.gov**

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Section 1 – Introduction

1.1 Welcome

Thank you for participating in California's Business e-file program.

This publication provides the information you need to successfully complete our Participant Acceptance Testing System (PATS), including test conditions, test procedures, and instructions for preparing test material for e-filing business tax returns.

We will begin accepting test transmissions for Combined Reporting and Form 100W on June 2, 2008.

1.2 Where Can I Get More Information?

FTB offers each software developer participant a personal Account Manager to assist you with account and production related questions and issues as well as being your main point of contact during the PATS process. For assistance in formatting and transmitting your e-file returns, or if you have questions regarding the test conditions contained in this publication, please contact your personal Account Manager.

If you need more information about your personal Account Manager or have general e-file questions, including acknowledgement re-hang requests, please contact:

e-Programs Customer Service Unit

Monday through Friday, between the hours of 8 a.m. and 5 p.m., PST

Phone: (916) 845-0353

Fax: (916) 845-0287

Email: e-file@ftb.ca.gov

Website: www.ftb.ca.gov/professionals/efile

If you have comments or suggestions regarding the California Business e-file Program or this publication, send them to:

e-file Coordinator, MS F-284

Franchise Tax Board

PO Box 1468

Sacramento CA 95812-1468

Email: e-file.coordinator@ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

1.3 General Information

FTB follows the e-file Program requirements found in FTB Pubs 1345, 1345B, and IRS Pubs. 1345, 4162, 4163, 4164 to the extent that they apply to FTB's e-file Program.

Specific California e-file requirements can be found in FTB Publications 1345, 1345B, and 1346B.

You must comply with all the latest FTB publications, forms, and notices governing the California e-file Program.

1.4 Why Test?

The purpose of PATS is to ensure, prior to "live" processing, that:

- Software Developers and Transmitters send returns in the correct format and meet our e-file schema specifications and have no Business Rule violations (rejects).
- Transmitters and Direct ERO's can communicate with our Secure Web Internet File Transfer (SWIFT) system to transmit returns as well as retrieve their receipts and acknowledgement files.
- Transmitters and Direct ERO's understand and are familiar with the mechanics of e-filing business returns to FTB.

Section 2 – PATS Procedures

2.1 Who Must Test?

To participate in California's Business e-file Program, the following participant types must meet all PATS requirements contained in this publication:

- Software Developers
- Transmitters
- Electronic Return Originators (EROs) who transmit directly with FTB

Note: Generally, if your software allows you to transmit returns directly to FTB, the software company will provide you with the PATS returns to submit to us.

2.2 Before You Test

Prior to testing, all software developers, transmitters, and ERO's transmitting directly with FTB must:

- Obtain an Electronic Transmitter Identification Number (ETIN) through the IRS application process.
- Register for a User ID and Password (if you do not already have one) to use our Secure Web Internet File Transfer (SWIFT) system. (See Section 2.3, below, for SWIFT registration contact information)

Refer to Publication 3112, *IRS e-file Application and Participation* for IRS Form 8633 procedures and to FTB Pub 1346B, Section 5, and the [SWIFT Transmitter User Guide](#) located on our website for more information about SWIFT.

You must complete PATS before you can transmit any production returns. Once you successfully complete PATS, your Account Manager will notify you via email and in writing of your acceptance.

If you plan to support other than current year e-file returns and you have not previously passed PATS for these years, you must successfully complete a set of tests for previous year forms. Contact the e-Programs Customer Service Unit for more information on previous year PATS.

2.3 Testing for Software Developers

The PATS process for Software Developers is as follows:

- Contact the e-Programs Customer Service Unit at (916) 845-0353 for initial instructions, including registering for a SWIFT User ID and Password
- To expedite the PATS process, for each product that your software supports, complete the information on the Supported Forms document provided on the following pages. **Fax or e-mail a copy to your Account Manager prior to transmitting any test returns.**

BUSINESS efile SUPPLEMENTAL SUPPORTED FORMS AND SCHEDULES

Software Developer Name	
DBA (If different than above)	
Contact Person Name	
Contact Phone Number	
Product Name	
Product Production ETIN(s):	
Product Test ETIN(s) if applicable:	

FORM / SCHEDULE	TITLE	SUPPORTED	
		YES	NO
Form 100 Combined Report Return	CA Corporation Franchise or Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Combined Eliminations Return	CA Corporation Franchise or Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Combined Adjustments Return	CA Corporation Franchise or Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Parent Return	CA Corporation Franchise or Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Parent Eliminations Return	CA Corporation Franchise or Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Parent Adjustments Return	CA Corporation Franchise or Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Subsidiary Return	CA Corporation Franchise or Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Subsidiary Eliminations or Adjustments Return	CA Corporation Franchise or Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Combined Report Schedule 1A	Net Income Before State Adjustments	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Combined Report Schedule 1B	Income Subject To Apportionment	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Combined Report Schedule 1C	Intercompany Transactions	<input type="checkbox"/>	<input type="checkbox"/>
Form 100 Combined Report Schedule 3	Tax Year Alignment	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W	CA Corporation Franchise or Income Tax Return – Water's Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Combined Report Return	CA Corporation Franchise or Income Tax Return – Water's Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Combined Eliminations Return	CA Corporation Franchise or Income Tax Return – Water's Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>

FORM / SCHEDULE	TITLE	SUPPORTED	
		YES	NO
Form 100W Combined Adjustments Return	CA Corporation Franchise or Income Tax Return – Water’s Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Parent Return	CA Corporation Franchise or Income Tax Return – Water’s Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Parent Eliminations Return	CA Corporation Franchise or Income Tax Return – Water’s Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Parent Adjustments Return	CA Corporation Franchise or Income Tax Return – Water’s Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Subsidiary Return	CA Corporation Franchise or Income Tax Return – Water’s Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Subsidiary Eliminations or Adjustments Return	CA Corporation Franchise or Income Tax Return – Water’s Edge Filers	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Combined Report Schedule 1A	Net Income Before State Adjustments	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Combined Report Schedule 1B	Income Subject To Apportionment	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Combined Report Schedule 1C	Intercompany Transactions	<input type="checkbox"/>	<input type="checkbox"/>
Form 100W Combined Report Schedule 3	Tax Year Alignment	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule 4	Interest Offset	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule 5A-5C-5D	Apportionment and Income Assignment	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule 5B	Partial Year Property Factor	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule 5F	Net Income and Tax	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule 6	Alternative Minimum Tax	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule L	Balance Sheet	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule M1	Income Reconciliation	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule M2	Unappropriated Retained Earnings Analysis	<input type="checkbox"/>	<input type="checkbox"/>
Form 100/100W Combined Report Schedule V	Costs of Goods Sold	<input type="checkbox"/>	<input type="checkbox"/>

FORM / SCHEDULE	TITLE	SUPPORTED	
		YES	NO
Form 2416	Schedule of Included Controlled Foreign Corporations (CFC)	<input type="checkbox"/>	<input type="checkbox"/>
Form 2424	Water's Edge Foreign Investment Interest Offset	<input type="checkbox"/>	<input type="checkbox"/>
Form 3725	Assets Transferred from Parent Corporation to Insurance Company Subsidiary	<input type="checkbox"/>	<input type="checkbox"/>
Other		<input type="checkbox"/>	<input type="checkbox"/>
Other		<input type="checkbox"/>	<input type="checkbox"/>

2.4 Test Return Requirements

Prepare test returns according to the following requirements:

- Provide at least two examples of each of the following return types that you will support:
 - Form 100 Combined Report
 - Form 100 Combined Eliminations
 - Form 100 Combined Adjustments
 - Form 100 Parent
 - Form 100 Parent Eliminations
 - Form 100 Parent Adjustments
 - Form 100 Subsidiary
 - Form 100 Subsidiary Eliminations or Adjustments
 - Form 100W
 - Form 100W Combined Report
 - Form 100W Combined Eliminations
 - Form 100W Combined Adjustments
 - Form 100W Parent
 - Form 100W Parent Eliminations
 - Form 100W Parent Adjustments
 - Form 100W Subsidiary
 - Form 100W Subsidiary Eliminations or Adjustments
- At least one example of every form and combined report schedule you support (according to the above supplemental list of supported forms and schedules) must be included among the total test returns you submit.

In addition, the following conditions must be met for each form type you support:

Form 100 Combined Report

- Provide at least 1 return containing five or more subsidiaries.
- Provide at least 1 example of each combined report schedule that you support.

Form 100W Combined Report

- Provide at least 1 return containing five or more subsidiaries.
- Provide at least 1 example of each combined report schedule that you support.

After you have composed your test returns, submit them according to the following procedures:

- Transmit returns according to our SWIFT procedures.
- Pick up all receipts and acknowledgment (ACK) files from your SWIFT mailbox before requesting PATS acceptance review.
- Notify your Account Manager for assistance in resolving rejected returns.
- Notify your Account Manager via email for PATS acceptance review once you have received accepted acknowledgements for all of the test returns.
- Provide your account manager with your SWIFT User ID along with the Transmission ID and Serial Number of the return file(s) you want reviewed for acceptance.
- After your test returns are reviewed, your Account Manager will notify you of the results via email.
- We will notify you of any problems or irregularities that will require you to correct and re-submit any returns.
- If you have successfully completed PATS, you will be notified via email by your Account Manager and will be mailed an acceptance letter.
- You may transmit as many test returns as necessary until you receive no error messages or rejects prior to requesting PATS acceptance review.

2.5 Testing Communications Protocol

You can also use your FTB PATS test returns to test and debug any potential or existing problems with your SWIFT communications protocol. Contact your Account Manager if you encounter any problems you feel may be related to our SWIFT system.

All Business e-file returns must be transmitted via SWIFT as specified in FTB Pub 1346B, Section 5 (SWIFT) and in the [FTB SWIFT Transmitter User Guide](#).

2.6 Testing for Transmitters and Direct EROs

The PATS process for Transmitters and Direct EROs is as follows:

- Contact the e-Programs Customer Service Unit at (916) 845-0353 for initial instructions, including registering for a SWIFT User ID and Password.
- Prepare the test returns as instructed by your software company (test returns may be included with your software).
- Transmit the test returns following the instructions included with your software. As a transmitter using accepted software, you must complete an error-free communications test by transmitting five returns in two same-day SWIFT transmissions.
- Notify the e-Programs Customer Service Unit that your test returns are ready for PATS acceptance review.
- After we validate your test returns, we will return an ACK file to your SWIFT "From FTB" mailbox that indicates whether each return was accepted or rejected. You must pick up your ACK files in order to complete PATS.
- If we reject your returns due to formatting (Schema) or transmission errors, contact your Software Developer. After you receive the corrected software, you must retransmit the rejected returns.
- Contact the e-Programs Customer Service Unit at (916) 845-0353 for approval once you have successfully completed your error-free communications test.
- We will notify you via phone or email of your acceptance and will mail an acceptance letter to you.

2.7 Reminders

Software Developers and Transmitters must:

- Ensure they are an accepted participant in the IRS e-file program before transmitting returns to us.
- Contact our e-Programs Customer Service at (916) 845-0353 for initial instructions prior to transmitting test returns.
- Not accept electronic returns from their clients until they have been approved by FTB for “live processing”.
- Not send “live” returns as test returns and vice versa. Be sure your Transmission Manifest is correctly set to “T” for Test or “P” for Production. “Live” returns sent to the test environment are considered “not filed”.
- Inform their clients that they may use only the accepted version of software. Software Developers should not distribute their software until FTB notifies them of their acceptance.
- Remember to provide examples of each of the forms, schedules and features you support among the completed returns you submit.
- Successfully complete all test return requirements included in this package that apply to the e-file features listed for each of your software products.
- Remember that not all line amounts, forms, schedules, etc. that may be required for validation are necessarily listed in the test return requirements found in Section 2.4. Consult the applicable FTB schemas and business rules for complete requirements.
- Remember that there are no specific test cases for California’s Business e-file PATS. Follow the requirements in Sections 2.3 and 2.4 to compose your test returns.
- Remember that California Business PATS test returns are not derived from the PATS test scenarios located in the Internal Revenue Service (IRS) Publication 4162, *Modernized e-file Test Package for U.S. Corporation Income Tax Returns*.

Section 3 – Finalizing PATS

3.1 Review of Participants Return File

Once you have transmitted the required test returns, the PATS Test Coordinator will validate your final transmission. Your Account Manager will notify you if any problems or irregularities are found. Upon successful completion, your Account Manager will send you a PATS acceptance email followed by an acceptance letter by mail.

3.2 Using Your Own Test Returns

Since every conceivable condition cannot be represented in our test returns, you are welcome to test additional data of your own, **after** you have received PATS acceptance. We welcome your suggestions for improving our test returns.

Note: When transmitting returns via SWIFT, be sure that your Transmission ID contains a (T) to indicate you are submitting test returns and not a (P), for production, even if you are testing after you have passed PATS.

We hope you find California e-file PATS to be a productive process and we thank you for your participation in the e-file program.